

House File 2693 - Introduced

HOUSE FILE _____
BY McCARTHY

(COMPANION TO LSB 6671SS
BY GRONSTAL)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act pertaining to employers' participation in unemployment
2 insurance adjudications.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 6671YH 82
5 ak/nh/5

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1 1 Section 1. Section 96.3, subsection 7, Code 2007, is
1 2 amended to read as follows:
1 3 7. RECOVERY OF OVERPAYMENT OF BENEFITS.
1 4 a. If an individual receives benefits for which the
1 5 individual is subsequently determined to be ineligible, even
1 6 though the individual acts in good faith and is not otherwise
1 7 at fault, the benefits shall be recovered. The department in
1 8 its discretion may recover the overpayment of benefits either
1 9 by having a sum equal to the overpayment deducted from any
1 10 future benefits payable to the individual or by having the
1 11 individual pay to the department a sum equal to the
1 12 overpayment.
1 13 b. If the department determines that an overpayment has
1 14 been made, the charge for the overpayment against the
1 15 employer's account shall be removed and the account shall be
1 16 credited with an amount equal to the overpayment from the
1 17 unemployment compensation trust fund and this credit shall
1 18 include both contributory and reimbursable employers,
1 19 notwithstanding section 96.8, subsection 5. However, provided
1 20 the benefits were not received as the result of fraud or
1 21 willful misrepresentation by the individual, benefits shall
1 22 not be recovered from an individual if the employer did not
1 23 participate in the initial determination to award benefits
1 24 pursuant to section 96.6, subsection 2, and an overpayment
1 25 occurred because of a subsequent reversal on appeal regarding
1 26 the issue of the individual's separation from employment. The
1 27 employer not participating in the initial determination shall
1 28 be charged with the benefits.

1 29 EXPLANATION
1 30 This bill provides that employers who do not participate in
1 31 the initial fact-finding determination of eligibility for
1 32 unemployment insurance benefits but who prevail upon appeal
1 33 will not recover charges for benefits paid to claimants prior
1 34 to the decision denying benefits. The employer that did not
1 35 participate in the initial determination shall be charged with
2 1 the benefits. However, if a claimant used fraud or
2 2 misrepresentation to secure benefits, the benefits will be
2 3 recovered.
2 4 LSB 6671YH 82
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